Petition

81-1592

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No._____

IN THE

Supreme Court of the United States

OCTOBER TERM, 1981

TRAVELERS EXPRESS CO., INC.,
a Minnesota corporation,

Petitioner,

vs.

THE STATE OF MINNESOTA and JIM LORD,
Treasurer, State of Minnesota,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

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February 26, 1982

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QUESTION PRESENTED FOR REVIEW

Does Minnesota have "power under its own laws" within the meaning of 12 U.S.C. § 2503(3) to escheat or take custody of sums held on uncashed money orders issued in states other than Minnesota?

LIST OF ALL PARTIES

All parties to this proceeding appear in the caption of the case in this Court.

Petitioner Travelers Express Company, Inc. is a subsidiary of the Greyhound Corporation. A list including the affiliates and the subsidiary of Petitioner is attached to the back cover of this Petition.

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PETITION FOR A WRIT OF CERTIORARI TO THE
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CITATIONS TO OPINIONS BELOW

The official report of the opinion of the United States Court of Appeals for the Eighth Circuit appears as *Travelers Express Co. v. Minnesota*, 664 F.2d 691 (8th Cir. 1981). The memorandum and order of the United States District Court for the District of Minnesota, issued in response to the parties' cross motions for summary judgment, is reported as *Travelers Express Co. v. Minnesota*, 506 F. Supp. 1379 (D. Minn. 1981). The opinion of the Court of Appeals and the memorandum and order of the District Court are reproduced in the Appendix hereto.

STATEMENT OF JURISDICTIONAL GROUNDS

The judgment of the United States Court of Appeals for the Eighth Circuit was entered on December 1, 1981. This petition for certiorari was filed within 90 days after that date. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

United States Code, Title 12:

§ 2503. *State entitlement to escheat or custody.*

Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—

(1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, that State shall be entitled exclusively to escheat or take custody of the sum payable on such instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum;

(2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check,

or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, until another State shall demonstrate by written evidence that it is the State of purchase; or

(3) If the books and records of such banking or financial organizations or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum.

Minnesota Statutes, Section 345.39:

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than seven years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is

not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Minnesota Statutes, Section 345.32(c):

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

* * *

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within seven years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

STATEMENT OF THE CASE

On June 20, 1980, Travelers Express Company, Inc. ("Petitioner") commenced this declaratory judgment action in the United States District Court for the District of Minnesota against the State of Minnesota (the "State") and Jim Lord, Treasurer of the State of Minnesota (the "Treasurer"). Petitioner sought a determination of the State's right under the federal Disposition of Abandoned Money Orders and Travelers Checks Act, 12 U.S.C. §§ 2501-2503, and the Minnesota Uniform Disposition of Unclaimed Property Act, Minn. Stat. §§ 345.31-.60 (1980) (the "Unclaimed Property Act"), to take custody of funds reserved for payment of certain uncashed money orders. Jurisdiction was based upon 28 U.S.C. § 1331(a) and principles of pendent jurisdiction.

Petitioner is incorporated under the laws of, and has its principal place of business in, the State of Minnesota. Petitioner sells money orders to customers in every state of the nation. Its records do not show the names or addresses of money order purchasers, but they do show the states in which the money orders were sold.

In 1979 the State commenced an examination of Petitioner's books to determine if Petitioner was properly reporting property subject to the Unclaimed Property Act. The Unclaimed Property Act authorizes the Treasurer to take custody of various kinds of abandoned property, including, in certain situations, sums held by a money order issuer on uncashed money orders issued by it. *See* Minn. Stat. § 345.53 (1980).

According to the report prepared as a result of the examination of Petitioner's books, Petitioner holds $6,477,170.46 in uncashed money orders that are subject to the Unclaimed Property Act and therefore should be surrendered to the State.

Three categories comprise this sum: (1) $90,007.83 represents money orders sold by Petitioner in Minnesota; (2) $788.435.08 represents money orders sold by Petitioner in states without escheat or custodial taking laws; and (3) $5,598,727.55 represents money orders sold by Petitioner in states with custodial taking or escheat laws.

On November 26, 1980, Petitioner moved for partial summary judgment, contending that the State lacked the authority to claim the sums held by Petitioner on uncashed instruments issued outside of Minnesota on the theory that, contrary to the requirement of 12 U.S.C. § 2503(3), no provision of the Unclaimed Property Act empowered the State to claim these sums. The District Court issued an order on February 11, 1981, in which it rejected Petitioner's contentions and held that the State possessed the requisite authority to take custody of these sums under sections 345.32(c) and 345.39 of the Unclaimed Property Act. *Travelers Express Co. v. Minnesota*, 506 F. Supp. 1379 (D.Minn. 1981).

On April 8, 1981, Petitioner moved the District Court to certify for appeal to the Court of Appeals for the Eighth Circuit the issues raised in Petitioner's motion for partial summary judgment, pursuant to 28 U.S.C. § 1292(b) and Rule 54(b) of the Federal Rules of Civil Procedure. The District Court certified these issues for appeal under 12 U.S.C. § 1292(b) on April 13, 1981. Petitioner then petitioned the Court of Appeals for permission to file an interlocutory appeal pursuant to 28 U.S.C. § 1292(b). The Court of Appeals granted the petition on May 7, 1981.

On December 1, 1981, the Court of Appeals affirmed the decision of the court below. *Travelers Express Co. v. Minnesota*, 664 F.2d 691 (8th Cir. 1981). Although the Court of Appeals reversed the District Court's holding that section 345.32(c) of the Minnesota Statutes empowered the State to

claim sums held on uncashed instruments issued outside of Minnesota, it agreed that Section 345.39 of the Minnesota Statutes did so empower the State consistent with the requirements of 12 U.S.C. § 2503(3).

REASONS FOR GRANTING THE WRIT

This case involves the interpretation of a section of the Federal Disposition of Abandoned Money Orders and Travelers Checks Act (the "Federal Act"), 12 U.S.C. §§ 2501-2503, which affects the rights of every state and every entity that sells money orders outside of the state in which it has its principal place of business.

The Federal Act is a codification, with some changes, of the "jurisdictional" rules announced in several decisions of this Court for resolving competing claims among the states over abandoned intangible property, such as uncashed money orders. In framing these rules, one of the court's principal concerns has been that they clearly and unambiguously provide for the disposition of abandoned intangible property. The Court has identified several factors underlying its concern with clarity in this area. First, ambiguous laws may deprive the holder of abandoned property of due process of law. *See Western Union Telegraph Co. v. Pennsylvania*, 368 U.S. 71 (1961). Second, ambiguous laws will produce endless litigation. Thus, in *Texas v. New Jersey*, 379 U.S. 674, 678-79 (1965), the Court rejected the proposal of the State of Texas that the state with the most significant "contacts" with such property have exclusive jurisdiction to escheat it, stating: "the rule that Texas proposes, we believe, would serve only to leave

in permanent turmoil a question which should be settled once and for all by a clear rule. . . . Under such a doctrine (as that proposed by Texas) any state likely would easily convince itself, and hope to convince this Court, that its claim should be given priority. . . ." The Court ultimately decided that the state of the creditor's last known address as shown by the books and records of the debtor has priority over every other state to claim the property—to the extent of its power under its laws to do so—but if the debtor has no such record, or if the address is in a state which does not provide for the escheat or custodial taking of the property, then the state where the debtor is incorporated would have such priority. 379 U.S. at 681-682. The Court expressly applied these rules to money orders in *Pennsylvania v. New York*, 407 U.S. 206 (1972).

Congress adopted the Court's rules, with slight modifications, when it enacted the Federal Act in 1974. Under the Federal Act, if the records of the issuer of a money order show the state in which the money order was purchased, that state may take custody of the unclaimed sum, but only "to the extent of that State's power under its own laws to escheat or take custody of such sum." *See* 12 U.S.C. § 2503(1). If the records of the issuer do not show the place of purchase, then the state of the issuer's principal place of business may take custody of the sum, but only "to the extent of that State's power under its own laws to escheat or take custody of such sum." *See* 12 U.S.C. § 2503(2). Finally, if the records of the issuer show the state in which the money order was purchased, but the laws of that state do not provide for the escheat or custodial taking of such sum, then the state of the principal place of business of the issuer may take custody, but only "to the extent

of that State's power under its own laws to escheat or take custody of such sum." *See* 12 U.S.C. § 2503(3).

It is this last situation which is at the heart of this controversy. Simply put, the issue is whether the State has "power under its own laws to escheat or take custody" of sums held by Petitioner on uncashed money orders issued outside of Minnesota. In construing the jurisdictional rights of the State under section 2503(3) of the Federal Act the Court of Appeals held that under section 345.39 of the Minnesota Statutes, the so-called "miscellaneous" section of the Unclaimed Property Act, the State has "power under its own laws" to take custody of sums held by Petitioner on money orders issued outside of Minnesota. Section 345.39 provides:

> All intangible personal property, *not otherwise covered by sections 345.31 to 345.60*, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than seven years after it became *payable* or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. (Emphasis added.)

Contrary to the view of the Court of Appeals, and as is briefly discussed in the following paragraphs, Petitioner contends that section 345.39 does not apply to sums held on uncashed money orders at all, let alone to sums held on uncashed money orders issued outside of Minnesota. At best, whether this section covers such sums is an issue fraught with ambiguity. Thus, contrary to this Court's concerns with clarity and precision when it first formulated the rules on which the Federal Act is based, the Court of Appeals has given the Federal Act a construction which invites, if not begs, each state to assert that its own abandoned property laws, no matter how vague or ambiguous, are broad enough to empower it "under its own laws" to escheat or take custody of intangible abandoned property which is the product of transactions which occurred far beyond its borders. Clearly, a state that can fill its coffers with property generated by transactions occurring in other states can, to that extent, avoid taxing its own citizens to raise revenues. Thus, the incentive to assert predatory jurisdiction over sums generated in distant transactions is considerable. This case is merely an adumbration of the flood of claims by states and the litigation that is likely to ensue if the decision of the Court of Appeals is not reversed.

As Petitioner argued in the court below, there are at least five reasons why section 345.39 does not apply to sums held on uncashed money orders. First, section 345.39, by its own terms, does not apply to intangible personal property which is "otherwise covered by sections 345.31 to 345.60," the Unclaimed Property Act. Because sums held on uncashed money orders are expressly covered under section 345.32(c) of the

Unclaimed Property Act, section 345.39 cannot cover such sums.[1]

Second, under section 345.39, property is not deemed abandoned until it is "payable." Yet, sums held on demand instruments, like money orders, are not "payable" until an actual demand for payment has been made. *See* Minnesota Statutes, section 336.3-108 (1980), which provides that an instrument which fails to specify a time for performance, which is precisely the case with Petitioner's money orders, is "payable on demand." By definition, no demand for payment is ever made in the case of an uncashed instrument. Thus, section 345.39 cannot apply to sums held on money orders. In recognition of this very issue, section 345.32(c), which clearly *does* cover sums held on uncashed money orders, provides that the period of abandonment has run when an instrument "has been outstanding for more than seven years from the date it was payable, *or from the date of issuance if payable on demand.*" (Emphasis added.)

Third, pursuant to the rule of statutory interpretation of *ejusdem generis*, if a statute contains general language and specific examples covering the subject matter thereof, the general language is deemed to have application only to items of a nature or class similar to those included in the class comprised by the specific examples. *See, e.g., McCartney v. State*, 280 Minn. 226, 159 N.W.2d 708 (1968). In the instant case,

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[1] With respect to section 345.32(c), the Court of Appeals stated: "By its terms . . . this section is limited to written instruments *issued in* Minnesota. It is impossible, therefore, to construe section 345.32(c) as granting the state authority over the fund held on money orders *issued outside* Minnesota. We hold, therefore, that section 345.32(c) does not authorize Minnesota to take custody of the funds at issue in this appeal." Travelers Express Co. v. Minnesota, 664 F.2d 691, 694 (8th Cir. 1981) (emphasis in original).

This is not to say, however, that section 345.32(c) does not "cover" money orders. Indeed, it "covers" *all* money orders; by expressly laying claim to those "issued in" Minnesota, it implicitly excludes money orders issued outside the state.

the second sentence of section 345.39 enumerates specific examples of the types of property covered thereby. The specific examples indicate that the class of property to which the legislature intended section 345.39 to apply does not include sums held on uncashed money orders. The types of property specifically enumerated are types of property received in connection with the sale of goods (*e.g.*, deposits or payments for purchase of goods, credit checks or memos, customer overpayments, unrefunded overcharges, and credit balances), or the provision of services (*e.g.*, unclaimed wages, deposits for repair of goods or the purchase of services, and unpaid claims). In these types of transactions, unlike a money order sale, the temporary holding of property for another is merely an incidental aspect of the transaction. This should be contrasted with the types of transactions covered by section 345.32, which applies to property held for another by a financial, banking or business association as an integral part of the transaction—demand and time deposits, dividends, sums held for payment on money orders and traveler's checks, and bank safe deposit box contents. By application of the principle of *ejusdem generis*, it is clear that the class of property covered by section 345.39 does not include property such as sums held or owing for payment on money orders.

Fourth, if sums held or owing on money orders issued in Minnesota were covered under section 345.32(c), and sums held or owing on money orders issued outside of Minnesota were covered under section 345.39, these sums would be subject to disparate treatment under the Unclaimed Property Act, depending on where the money order was sold. The legislature could not have intended such a result; the differences in treatment of money orders depending on where they were sold would not have any logical or policy basis. For example, sec-

tion 345.32(c) provides that the holder of amounts due on abandoned money orders may not deduct service charges on such instruments for a period in excess of one year. However, there is no such limitation on the deductibility of service charges on instruments covered by section 345.39. To the contrary, section 345.39 permits the exclusion of "any charges that may lawfully be withheld," which, presumably, would include any charges to which the parties contractually agreed, even if they amounted to service charges for a period in excess of one year.

Finally, to the extent that there is ambiguity in whether section 345.39 is applicable to sums held or owing on abandoned money orders issued in states other than Minnesota, this ambiguity must be resolved in favor of Petitioner, in light of the general rule of statutory construction that revenue raising statutes, such as the Unclaimed Property Act, should be construed narrowly against the state. *See, e.g., Dumont v. Commissioner of Taxation,* 278 Minn. 312, 154 N.W.2d 196, 200 (1967) ("if the statute is ambiguous, the ambiguity must be resolved in favor of the taxpayer"); and *Independent-Consolidated School District No. 27 v. Waldron,* 241 Minn. 326, 63 N.W.2d 555, 558 (1954) ("tax statutes are to be construed strictly against the taxing authority"). The revenue raising character of the Unclaimed Property Act is clear. *See* Commissioner's Prefatory Note to Uniform Disposition of Unclaimed Property Act, 8 Uniform Laws Annotated at 75: "[t]he Uniform Disposition of Unclaimed Property Act . . . will serve to . . . give the adopting state the use of some considerable sums of money . . . ." *See also Douglas Aircraft Company v. Cranston,* 58 Cal. 2d 462, 24 Cal. Rptr. 851, 374 P.2d 819, 821 (1962) (purpose of California Uniform Disposi-

tion of Unclaimed Property Act is to "give the state . . . the benefit of the use of [unclaimed property]").

It is to be expected that a state, seeing an opportunity to obtain a large sum of money without having to impose a tax upon its citizens, will seize upon it. Under the construction of section 2503(3) offered by the Court of Appeals, the door is open for every state to assert that its abandoned property laws, no matter how vague, give it jurisdiction over sums held on instruments issued far beyond its borders. A considerable burden will be placed on the issuers of such instruments if they are put in the position of envisioning every possible tortured interpretation of a state's law which might authorize that state to claim sums held on uncashed instruments. Petitioner should not have to pay the price for the failure of the Minnesota Legislature to adopt a law which satisfies the jurisdictional requirements of 12 U.S.C. § 2503(3).

The Court of Appeal's judgment in this case, although interlocutory in nature, warrants this Court's immediate review because of the importance of the interpretation of 12 U.S.C. § 2503(3) both to the instant litigation and to the resolution of potentially similar disputes in other jurisdictions. *See Gulf Oil Corp. v. Copp Paving Co.*, 419 U.S. 186, 192-93 (1974). Review of a judgment that is not final is appropriate where the issue raised is fundamental to the further conduct of the case. *Larson v. Domestic & Foreign Commerce Corp.*, 337 U.S. 682, 685 n.3 (1949); *Land v. Dollar*, 330 U.S. 731, 734 n.2 (1947); *United States v. General Motors Corp.*, 323 U.S. 373, 377 (1945). If Petitioner's view of 12 U.S.C. § 2503(3) is correct, the State's claim to some $6,500,000 owing on money orders sold outside Minnesota must be dismissed. If the State's claim is tried, Petitioner's defense will necessarily raise legal and factual issues requiring examination of the statutes governing

limitations of actions, unclaimed property and the issuance of money orders in most of the other forty-nine states, the District of Columbia and Puerto Rico. This Court's granting Petitioner's request for a writ of certiorari and disposing of the question here presented in a manner favorable to Petitioner would serve to avoid an enormous expense of time, money and judicial resources.

CONCLUSION

For these reasons, a writ of certiorari should issue to review the judgment and opinion of the United States Court of Appeals for the Eighth Circuit.

Respectfully submitted,

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APPENDIX

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
FOURTH DIVISION

CIVIL NO. 4-80-344

TRAVELERS EXPRESS CO., INC.,
A Minnesota corporation,

Plaintiff,

vs.

THE STATE OF MINNESOTA and
JIM LORD, Treasurer, State of Minnesota,

Defendants.

MEMORANDUM AND ORDER

This is a declaratory judgment action in which the plaintiff, Travelers Express Co., Inc. (Travelers) and the defendants, the State of Minnesota (State) and its Treasurer, Jim Lord (Treasurer) both claim entitlement to $6,477,170.46. This sum represents the amount payable on certain money orders issued by Travelers that have never been presented for payment. The question now before the Court is one of statutory construction—whether Minnesota has the authority to take custody of sums payable on abandoned money orders which were sold outside of the State. The matter is now before the Court on cross motions for summary judgment on this issue.

FACTS

Travelers is a corporation incorporated under the laws of the State of Minnesota with its principal place of business in the State of Minnesota. It is engaged in the business of selling money orders to customers in every state of the nation. Travelers' books and records do not show the names or last known addresses of the purchasers of money orders, but they do show the state in which the money orders were sold. Some of the money orders are never presented for payment, in which case Travelers receives a windfall benefit.

Minnesota has adopted the Uniform Disposition of Unclaimed Property Act (hereinafter referred to as the U.P.A.). Minn. Stat. §§ 345.31-60. The U.P.A. authorizes the Treasurer to take custody of abandoned property, including abandoned money orders.[1] The property covered by the U.P.A. is presumed abandoned if left unclaimed for a designated number of years. The U.P.A. also requires every person holding unclaimed property to submit a report to the Treasurer when the property is presumed abandoned under the statute. Minn. Stat. § 345.41. Travelers submits annual reports to the State setting forth the amount of unclaimed money orders it has held for seven years. The U.P.A. permits the Treasurer to examine "the records of any person if he has reason to believe that such person has failed to report property" which is subject

[1] Minnesota's U.P.A. provides for the custodial taking, not escheat, of unclaimed property that is presumed abandoned. Custodial acts do not cut off the property rights of the owner. "The state takes custody and remains the custodian in perpetuity. Although the actual possibility of his presenting a claim in the distant future is not great, the owner retains his right of presenting his claim at any time no matter how remote. State records will have to be kept on a permanent basis. In this respect the measure differs from the escheat type of statute, pursuant to which the right of the owner is foreclosed and title to the property passes to the state." 8 UNIFORM LAWS ANNOTATED 73, at 74 and 116 (Master Ed. 1972) (Commissioners' Prefatory Note).

to the Act. Minn. Stat. § 345.53. The State, on behalf of itself and eleven other states, conducted an examination of Travelers' books pursuant to section 345.53. According to the report of this examination, Travelers held $6,477,170.46 in unclaimed money orders sold between January 1, 1955, and December 31, 1972, which the Treasurer believed was subject to Minnesota's U.P.A. The report divided the sum into three categories: (1) outstanding money orders sold in Minnesota—$90,007.83; (2) outstanding money orders sold in other states or territories for which there is no applicable escheat or custodial taking law in effect—$788,435.08; and (3) outstanding money orders sold in states other than Minnesota that are, for various reasons, not subject to that state's escheat or custodial taking law —$5,598,727.55.

On June 20, 1980, Travelers filed in this Court an action for declaratory judgment to determine who had the right to custody of the unclaimed money orders. On July 15, 1980, defendants filed their answer to the complaint. Defendant Treasurer also filed three counterclaims alleging the right to take custody of the unclaimed money orders, one counterclaim for each of the three categories of unclaimed money orders.

In the instant motion, Travelers has moved for partial summary judgment on Count 5 of its complaint. In count 5, Travelers contends that under 12 U.S.C. § 2503 and the Minnesota U.P.A., the State lacks authority to take custody of unclaimed money orders sold by Travelers in other states. At the oral argument, defendants moved for partial summary judgment in their favor on Count 5 of the complaint, and for summary judgment on Counts 2 and 3 of the counterclaim. The sum of $90,007.83, which represents the unclaimed money orders sold in Minnesota, is not in issue on these motions.

DISCUSSION

There is no genuine issue of any material fact in this matter. The issue is one of statutory construction. Therefore a partial summary judgment is appropriate at this time.

The basis for the State's assertion of a right to take custody of the unclaimed money orders is three statutory provisions. The first is section 2503 of Title 12, United States Code.[2] This statute establishes a rule for determining which state has the

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[2] The full text of 12 U.S.C. § 2503 provides:

Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—

(1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, the State shall be entitled exclusively to escheat or take custody of the sum payable on such instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum;

(2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, until another State shall demonstrate by written evidence that it is the State of purchase; or

(3) if the books and records of such banking or financial organizations or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum.

superior right to escheat or take custody of money orders or traveler's checks which were the result of a multistate transaction. Under section 2503, only two states have a legitimate claim to the property—the state where the money order or traveler's check was purchased, and the state where issuer's principal place of business is located. As between these two states, section 2503 gives the state of purchase the superior right. Thus, subsection 2503(1) states that whenever the issuer's records show the state of purchase, that state may take custody of the unclaimed sum if it has power under its own laws to do so. Under subsection 2503(2), if the issuer's records do not show the state of purchase, the state of the issuer's principal place of business may take custody if it has power under its own laws to do so. Under subsection 2503(3), if the issuer's records show the state of purchase but the state of purchase does not have power under its laws to take custody, then the state of the principal place of business of the issuer may take custody "to the extent of that State's power under its own laws to escheat or take custody of such sum."

The extent of Minnesota's power under its own laws to take custody of unclaimed money orders is set forth in the U.P.A., Minn. Stat. §§ 345.31-60. The State urges that two provisions of this Act provide the authority to take custody of the money orders involved in this case. One provision expressly deals with money orders. Section 345.32(c) provides:

> (c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks,

> that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within seven years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

The other provision relied upon by the State is the omnibus provision covering "[a]ll intangible personal property, not otherwise covered by sections 345.31 to 345.60." Section 345.39 provides:

> All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than seven years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

In Count 5 of its complaint, Travelers asserts that it is entitled to a declaration that the State is not entitled to any of the unclaimed money orders sold by Travelers outside of the State of Minnesota. Its reasoning is that for Minnesota to be entitled to take custody of these sums under 12 U.S.C. § 2503 (3), the state where the money orders were sold must lack a law authorizing custodial taking of the money orders, and Minnesota must have a statute expressly authorizing it to take custody of money orders sold outside the State. It asserts that neither section 345.32(c) nor section 345.39 authorizes Minnesota to take custody of unclaimed money orders sold by Travelers outside the State.

I. CONSTRUCTION OF 12 U.S.C. § 2503(3) AND MINN. STAT. § 345.32(c).

The Court's primary inquiry on this motion is the proper construction of the federal statute, 12 U.S.C. § 2503. In construing this statute, two important developments in the law of escheat and custodial taking of unclaimed property provide significant insights into the meaning and purpose of section 2503. These developments are the proposal by the Commissioners on Uniform Laws of the Uniform Disposition of Unclaimed Property Act (hereinafter referred to as the Uniform Act), and a series of Supreme Court cases dealing with conflicts among the states over the right to escheat or take custody of unclaimed intangible property.

The Uniform Act was first proposed in 1954 and was significantly amended in 1966. Briefly stated, the Uniform Act establishes a presumption that property which has remained unclaimed for the requisite period of time has been abandoned by its owner. It requires the holder of abandoned property to report information about the property to the state, which in turn attempts to locate the owner of the property. If the owner

cannot be located, the state takes custody of the property subject to the right of the owner to recover it at any time. The Uniform Act specifically provides for the state to take custody of intangibles such as money orders, traveler's checks, stock dividends, savings deposits, and similar unpaid claims. To date, 31 states have adopted the Uniform Act. *See* 8 UNIFORM LAWS ANNOTATED 73, 115 (Master Ed. 1972 and 1980 Supp.). Minnesota enacted the Uniform Act in 1969. Minn. Stat. § 345.31 *et seq.*

The conflicting rights of states to take custody of unclaimed intangible property that is the product of a multistate transaction has given rise to several United States Supreme Court decisions. In 1961, the Supreme Court held that state laws which potentially impose multiple escheat liability deprive the holder of due process of law. *Western Union Telegraph Co. v. Pennsylvania*, 368 U.S. 71 (1961). The question of which state is entitled to take custody of intangible property was first presented to the Supreme Court in *Texas v. New Jersey*, 379 U.S. 674 (1965). In this case, various states claimed the right to escheat or take custody of unclaimed debts owed by the Sun Oil Company. The State of Texas invoked the Supreme Court's original jurisdiction to settle the controversy. After considering the rules proposed by each state, the Supreme Court selected the rule it believed would best promote "ease of administration and . . . equity" among the states. *Id.* at 683. The Court's rule holds that the state of the creditor's last known address as shown by the debtor's books and records is entitled to the property. If the debtor does not have a record of the creditor's last known address, or if the address is in a state which did not provide for escheat or custodial taking of the property, then the state where the debtor is incorporated may take custody of the funds until such time as the other

state's law makes provision for escheat of such property. *Id.* at 682. A few years later, the Court was asked to determine whether the rule of *Texas v. New Jersey* should apply when the debtor does not regularly record the addresses of its creditors. At stake in *Pennsylvania v. New York*, 407 U.S. 206 (1972), were money orders issued by Western Union Telegraph Co. which had remained unpaid for many years. Western Union's books and records generally showed the place of purchase but not the purchaser's address. Several states argued that strict application of the *Texas v. New Jersey* rule would result in a windfall for the state of incorporation (in this case, the State of New York). The Supreme Court rejected this argument and applied the rule of *Texas v. New Jersey*. Thus, the rule evolved that intangible property escheats to the state of the creditor's last known address. In the event that the address is unknown or the state of the last known address has no provision for escheat of intangibles, the property escheats to the state of incorporation. Under this rule neither the state where the property was purchased nor the state where the issuer's principal place of business is located has a claim to the property.

In 1974, Congress acted to modify this rule as applied to money orders and traveler's checks when it enacted the Disposition of Abandoned Money Orders and Traveler's Checks Act, 12 U.S.C. § 2501 *et seq.* Congress found that a substantial majority of the purchasers of such intangible property reside in the state where the money order or traveler's check was purchased. 12 U.S.C. § 2501. In section 2503, Congress modified the result of the *Pennsylvania v. New York* decision by declaring that the state where the money order or traveler's check was purchased has top priority to take custody of such unclaimed property. If the issuer's books and records do not show

the state of purchase, or if they do show the state of purchase but the state has no power under its own laws to take custody, then the state of the issuer's principal place of business, not the state of incorporation, has the right to take custody of the property.

When construing this statute, Congress' purposes must be borne in mind. *See Chapman v. Houston Welfare Rights Organization*, 441 U.S. 600, 608 (1979). Section 2503 was obviously designed to modify the rule established by the Supreme Court. Section 2503 was also plainly designed to interact with the Uniform Act. It is presumed that a lawmaking body acts with the existing law in mind and that new statutes will harmonize rather than conflict with existing statutes. *See Finberg v. Sullivan*, 461 F.Supp. 253, 258 (E.D.Pa. 1978). Here, the three definitions in section 2502 adopt the language used to define these terms in section 1 of the Uniform Act. Further, by providing that the state of the issuer's principal place of business may claim abandoned money orders if the state of purchase has no power to do so, section 2503 recognizes that many but less than all states have adopted the Uniform Act or a similar law. Therefore, section 2503 should be construed to function harmoniously with the Uniform Act in determining which of the several states has the superior claim to abandoned intangible property.

The issue raised by Travelers is whether the phrase "to the extent of that State's power under its own laws to escheat or take custody of such sum" of subsection 2503(3) requires that Minnesota have a law expressly authorizing it to take custody of unclaimed money orders sold outside the State. Travelers contends that "such sum" refers only to money orders issued in states other than where the issuer's principal place of business is located. The State's primary source of power to take

custody of unclaimed intangible property is found in Minn. Stat. § 345.32(c). This statute is expressly limited to money orders "issued in this state." Therefore, Travelers argues, Minnesota does not have power under its own laws to take custody of the unclaimed money orders in question.

Defendants interpret the phrase "to the extent of that State's power under its own laws to escheat or take custody of such sum" more broadly. Defendants contend that it must have been Congress' intent that any state enacting section 2(c) of the Uniform Act (which Minnesota has done in section 345.32(c)) has given itself power to take custody of any unclaimed money order that federal law allows it to claim. Thus, defendants argue that Minnesota need not have a statute authorizing the State to take custody of money orders issued in another state; it need only have a statute authorizing it to take custody of money orders in general, which section 345.32(c) does.

To properly interpret section 2503, the Court must consider the context in which the statute was enacted. Congress enacted section 2503 to resolve disputes over the conflicting rights of states to take custody of intangible property which was the result of a multistate transaction. In doing so, Congress recognized that some states have enacted statutes enabling them to take custody of abandoned intangible property such as money orders and traveler's checks, and that other states have not. This recognition is reflected in section 2503 by the proviso "to the extent of that State's power under its own laws to escheat or take custody of such sum." Congress also permitted two, and only two, states to escheat or take custody of unclaimed money orders and traveler's checks—the state of purchase or the state of the issuer's principal place of business. The purpose of subsection 2503(3) is to ensure that unclaimed money orders and traveler's checks accrue to the state of the

issuer's principal place of business if the state of purchase has not enacted a law permitting such state to claim the property.

Plaintiff interprets section 2503 to require the state of the issuer's principal place of business to have a law expressly authorizing the state to take custody of money orders sold by the issuer in another state. To accept plaintiff's interpretation of section 2503 would require believing that Congress intended that all 31 states which have adopted the Uniform Act must amend their laws by adding a section authorizing the state to take custody of unclaimed money orders and traveler's checks issued in another state.[3] Stated another way, plaintiff's interpretation turns both subsections 2503(2) and 2503(3) into excess baggage. If the provisions of the Uniform Act do not provide a state where an issuer's principal place of business is located with power to take custody of intangible property of the type described in section 2503, then no state adopting the Uniform Act has the power to utilize either subsection

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[3] Travelers argues that the statutory use of the phrase "to the extent of" implies the possibility that the drafters of section 2503 believed that different state legislatures would go to varying lengths in expressly permitting claims on money orders sold in another state. Travelers thus reads the phrase "to the extent of" as an invitation to the various states to modify the provisions of the Uniform Act. Plaintiff's interpretation of the phrase is not persuasive. In the six years since section 2503 was enacted, none of the 31 jurisdictions which have adopted the Uniform Act have amended their laws to expressly permit taking custody of money orders sold in another state. *See* 8 UNIFORM LAWS ANNOTATED 73, at 86-87 and 125-26 (Master Ed. 1972 and 1980 Supp.). In contrast, a number of minor modifications in the extent of the coverage of section 2(c) of the Uniform Act had already been made at the time that section 2503 was enacted. For example, Minnesota originally set 20 years rather than seven as the period a money order must remain unclaimed before it is presumed abandoned. Similarly, Iowa set the period for abandonment at 10 years and Oklahoma set the period for abandonment at 14 years. 8 UNIFORM LAWS ANNOTATED at 86. The phrase "to the extent of" is a recognition that some states had already made minor modifications in the coverage of the Uniform Act; it is not a federal invitation to make further modifications of the Uniform Act.

2503(2) or 2503(3). Plaintiff's interpretation of section 2503 creates a conflict between section 2503 and the Uniform Act rather than allowing the two statutes to work in harmony. Moreover, plaintiff's interpretation of section 2503 frustrates the purpose of the statute by permitting the fortuitous holder of the unclaimed property to retain possession of the property even though the state designated by Congress to be the secondary claimant, the state of the issuer's principal place of business, has power to take custody of unclaimed intangible property. Such an interpretation could not be what Congress intended when it enacted section 2503.

Accordingly, it is the decision of this Court that under section 345.32(c) of the U.P.A., Minnesota has sufficient power within the meaning of 12 U.S.C. §2503(3) to take custody of unclaimed money orders held by Travelers whether or not the money orders were sold in Minnesota. Therefore, Travelers' motion for partial summary judgment on Count 5 of its complaint will be denied, and the State's motion for partial summary judgment in its favor on Count 5 will be granted. However, before Minnesota may actually take custody of the money orders held by Travelers, it must still establish that no other state holds a superior claim to the money orders. For this reason, the Treasurer's motion for summary judgment on Counterclaims 2 and 3 will be denied.

II. CONSTRUCTION OF MINN. STAT. § 345.39.

Even if this Court were to read subsection 2503(3) as advocated by plaintiff, the inquiry would not end. The State asserts that section 345.39, the omnibus provision of the U.P.A., provides the State with authority to claim the money orders sold by Travelers in another state.

Section 345.39 is a miscellaneous provision designed to cover a very wide range of intangible personal property. This provi-

sion covers "[a]ll intangible personal property not otherwise covered" by the U.P.A. The breadth of this provision is very important to the objectives of the Act. These objectives are to protect the unknown owners of the property by locating them and restoring the property to them, and to give the benefit of the use of unclaimed property to all citizens of the State rather than the fortuitous holder of the property. *See Douglas Aircraft Co. v. Cranston*, 58 Cal. 2d 462, 24 Cal. Rptr. 851, 374 P.2d 819, 821 (1962). To advance the objectives of the Act, section 345.39 is written in broad, general language and uses few modifiers, which would limit the coverage of this section. Plaintiff raises several arguments why money orders purchased in other states should be excluded from the coverage of section 345.39. This attempt conflicts with the objective of permitting all citizens to enjoy the benefit of unclaimed property rather than only the fortuitous holder.

Plaintiff first argues that money orders are covered by section 345.32(c) and therefore are excluded from any further coverage by section 345.39. Such an interpretation of section 345.39 is not required by its language and conflicts with its role as an omnibus section. Other types of property explicitly covered in sections 345.32 to 345.38 are also covered in section 345.39. For instance, section 345.35 covers stocks and dividends, and the Commissioner's Note to section 9 of the Uniform Act states that stocks and dividends will be embraced in section 9 also. Thus the omnibus section is clearly intended to include property of the type dealt with elsewhere in the Uniform Act.

Section 345.39 includes a list of the types of property that the section covers. Plaintiff argues that the rule of *ejusdem generis* should apply here to limit the types of property covered by section 345.39. The rule of *ejusdem generis* is an aid in

construing ambiguous statutes. The principle is that by listing examples, the legislature had in mind other items of the same kind and was speaking of them as a class. *See Foley v. Whelan*, 219 Minn. 209, 17 N.W.2d 367, 371 (1945). The rule should not be used to limit the applicability of this statute which the legislature made applicable to "[*a*]*ll* intangible personal property." Moreover the legislature precluded resort to the rule of *ejusdem generis* when it wrote that "this section includes, *but is not limited to*" the listed items. Minn. Stat. § 345.39 (emphasis added).

Plaintiff next contends that the legislature must have intended to exclude demand instruments such as money orders from the coverage of section 345.39 because this section, in contrast to section 345.32(c), does not expressly state that demand instruments are considered payable from the date of issuance. The flaw in this argument is that among the list of items expressly included in section 345.39 are credit checks, unpaid vendor checks, and miscellaneous outstanding checks. Under plaintiff's interpretation, none of these could be considered unclaimed property unless they had been presented for payment. Clearly this is not what the legislature intended.

Finally, plaintiff argues that adopting defendants' interpretation of section 345.39 would result in various inconsistencies in the Act as a whole. Plaintiff asserts that under defendants' interpretation, money orders sold by Travelers in Minnesota would be treated differently than money orders sold by Travelers outside the State, and that such anomalous treatment is without any rational basis.

The first inconsistency pointed out by plaintiff is that under section 345.32(c), contracted service charges may only be withheld for one year, while section 345.39 contains no express time limitation on service charges. This inconsistency, how-

ever, is not the type of inconsistency that leads to a conclusion that money orders are not intended to be covered by section 345.39. The clause in section 345.32(c) limiting service charges to one year was amended into that section in 1977. 1977 Minn. Laws c. 137, § 3. Moreover, this inconsistency is exactly the type of difference one would expect to find between an omnibus provision, which must be drafted in broad language to cover a wide range of situations, and a specific provision, which normally includes more narrowly drafted language.

The second inconsistency found by plaintiff is the requirement of section 345.32(c) that the owner must not have corresponded with the holder for seven years before the property may be presumed abandoned. Section 345.39 contains no comparable requirement. Thus, in the rare instance where the owner of a money order may correspond with the holder, an owner in Minnesota may be treated differently than an out-of-state owner. However, Minnesota owners are treated more favorably than out-of-state owners, and it is not irrational for a state to treat the property rights of its own residents more solicitously than the rights of out-of-state residents.

A third inconsistency raised by plaintiff is that when the U.P.A. was adopted in 1969, section 345.32(c) included a 20 year period before money orders were presumed abandoned, while section 345.39 contained a seven year period for presumed abandonment. Section 345.32(c) was amended in 1977 to reduce the period for presumed abandonment from 20 years to seven years. 1977 Minn. Laws c. 137, § 3. Again, this inconsistency between the treatment of in-state and out-of-state residents is not irrational and does not compel acceptance of plaintiff's interpretation of section 345.39.

The fourth inconsistency raised by plaintiff involves section 345.42. This section requires that the State publish a notice listing the names of the persons appearing to be owners of abandoned property. Subdivision 4 of this section specifically exempts "traveler's checks and money orders presumed abandoned under section 345.32" from the publication requirement. Plaintiff asserts that money orders presumed abandoned under section 345.39 would still be subject to the publication requirement. However, this is not true. Under section 345.41 (b)(1), the report that holders of unclaimed property must provide to the Treasurer need not include the names or last known addresses of the owners of unclaimed money orders. Thus, it is impossible for the State to publish the names and addresses of owners of money orders presumed abandoned under either section 345.32(c) or section 345.39.[4]

Plaintiff asserts that the State's interpretation of section 345.39 would subject the holders of unclaimed money orders to multiple liability. Plaintiff argues that any state where the money order may be found to be "held or owing" would have an equal claim to the property, and that a money order may be considered to be "owing" in any state where the owner could demand payment of the money order. This argument overlooks Minn. Stat. § 345.44 and 12 U.S.C. § 2503. Section 345.44 provides that the State indemnifies the holder for any

[4] Travelers also argues that the failure of the legislature to mention section 345.39 in subdivision 4 of section 345.42 evidences a belief by the legislature that money orders and traveler's checks were to be covered solely by section 345.32. This argument overlooks the fact that the purpose of an omnibus provision is to extend the coverage of an Act to include situations which could not be foreseen at the time the Act was drafted, yet which still fall within the scope of the Act. The failure of the legislature in section 345.42 subd. 4 to expressly foresee that in some situations money orders and traveler's checks may fall within the purview of the omnibus provision does not evidence an intent to exclude such property from section 345.39.

further claims against the property. Section 2503 is designed to eliminate the problem of multiple liability by providing that only two states have a legitimate claim to the property, with one state's claim being superior to the other's. These two sections should satisfy plaintiff's apprehension that it may be subject to multiple liability.

Throughout many of the foregoing arguments, plaintiff points out and relies upon the concerns of Commissioners on Uniform Laws for avoiding conflicts among the states over the right to take custody of the same item of abandoned property. The Court understands plaintiff's argument, but is not persuaded that these concerns compel a narrow interpretation of section 345.39. It is true that sections 345.32 to 345.38, which are drafted to restrict applicability to one state, and section 345.40, which provides for deference to any superior claims of another state if the other state makes a reciprocal provision for any superior claims of Minnesota, reflect a concern for preventing multiple liability and conflicts between the states. Nevertheless, until all states adopt the Uniform Act (or a similar unclaimed property law), interstate conflicts are likely to occur in situations where unclaimed intangible property is connected to two states and only one state has a custodial taking or escheat law. As 12 U.S.C. § 2503(3) recognizes, the state with a custodial taking or escheat law will attempt to claim the property. A broad reading of section 345.39 is not only consistent with the Commissioners' intent, but also furthers the intent. The overriding objective of the Uniform act is to give the benefit of the use of abandoned property to all citizens of a state connected with the property rather than to the fortuitous holder of the property. Section 9 was obviously meant to be given a broad reading to promote this objective because it expressly applies to *all* intangible personal property.

A broad reading also furthers the Commissioners' presumed intent to encourage all states to adopt the Uniform Act. When a state with an unclaimed property law realizes that property it could have taken is being taken by another state, it will feel pressure to adopt the Uniform Act also.

From the foregoing, a consistent interpretation of section 345.39 emerges. This section permits Minnesota to take custody of abandoned intangible property held in Minnesota for an owner in a different state if the owner's state does not have an unclaimed property law. But if the owner's state adopts the Uniform Act in the future, then Minnesota will apparently be required, pursuant to sections 345.40 and 345.44,[5] to turn over to the owner's state the property which the latter state may properly claim.[6] This interpretation promotes the objec-

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[5] Section 345.44 provides that when the State takes custody of abandoned property under the U.P.A., the State indemnifies the holder and relieves the holder from liability "for any claim which then exists or which thereafter may arise or be made in respect to the property by any claimant, *including any state*." (Emphasis added.)

[6] The text of section 345.40 also supports this interpretation of section 345.39. Section 345.40 provides:

> If specific property which is subject to the provisions of sections 345.32, 345.35, 345.36, 345.37 and 345.39 is held for or owed or distributable to an owner whose last known address is in another state by a holder who is subjected to the jurisdiction of that state, the specific property is not presumed abandoned in this state and subject to sections 345.31 to 345.60 if:
>
> (a) it may be validly claimed as abandoned or escheated under the laws of such other state; and
>
> (b) the laws of such other state make reciprocal provision that similar specific property is not presumed abandoned or escheatable by such other state when held for or owed or distributable to an owner whose last known address is within this state by a holder who is subject to the jurisdiction of this state.

This provision implicitly recognizes that intangible property may be held by a corporation in Minnesota for an owner who lives in another state, and that Minnesota would have a claim to the property under 345.39. In this case, Travelers holds unclaimed money orders owned by persons who live in other states, and Minnesota may claim the property under section 345.39 unless the property may be claimed by the owner's state and such state makes reciprocal provision for similar property in Minnesota.

tives of the Uniform Act, protects the rights of the owners and holders of the property, and will not create conflicts among the states.

CONCLUSION

In summary, 12 U.S.C. § 2503(3) permits the State where an issuer of money orders has its principal place of business to escheat or take custody of unclaimed money orders held by the issuer, (a) if the state where the money order is purchased does not have power to escheat or take custody of the property, and (b) to "the extent of that State's power under its own laws to escheat or take custody of such sum." It is the conclusion of this Court that under either section 345.32(c) or section 345.39, Minnesota has sufficient power under its own laws to take custody of abandoned money orders held by Travelers.

Accordingly,

IT IS ORDERED that:

(1) Travelers' motion for summary judgment on Count 5 of its complaint be and hereby is denied.

(2) Defendants' motions for summary judgment dismissing Count 5 of Travelers' complaint be and hereby are granted.

(3) Defendant Treasurer's motion for summary judgment on Counts 2 and 3 of the Counterclaim be and hereby is denied because further factual issues in those counts still exist.

HARRY H. MacLAUGHLIN
Judge
United States District Court

Dated: February 10, 1981.

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
FOURTH DIVISION

CIVIL 4-80-344

TRAVELERS EXPRESS CO., INC.,
a Minnesota corporation,

Plaintiff,

v.

THE STATE OF MINNESOTA AND JIM LORD,
Treasurer, State of Minnesota,

Defendants.

ORDER

This matter is before the Court on the motion by the plaintiff to certify the Order of this Court dated February 10, 1981, for an appeal pursuant to 28 U.S.C. § 1292(b) or Federal Rule of Civil Procedure 54(b), and on the cross-motion by the defendants to compel discovery.

The Court is of the opinion that the Order of February 10, 1981, did not finally decide a claim for relief within the meaning of rule 54(b), and therefore the motion to certify an appeal pursuant to that rule is denied. With respect to certification pursuant to 28 U.S.C. § 1292(b) there is no real dispute over whether the Order of February 10, 1981, involves a controlling question of law, an appeal from which may materially advance the ultimate termination of this litigation. With respect to the other requirement for certification of an appeal, this Court entertains no doubts as to the correctness of its decision, but recognizes that there is substantial ground for difference of opinion on the issues ruled upon. Therefore, this

Court will exercise its discretion to certify the Order for appeal pursuant to section 1292(b).

Because the Court believes that its Order of February 10, 1981, was correctly decided, it is of the opinion that a stay of other proceedings in this lawsuit would only delay the ultimate termination of this lawsuit. Therefore no stay of proceedings will be granted. At the hearing the parties informed the Court that the plaintiff had submitted answers to the defendants' outstanding discovery request. Therefore, the defendants' motion to compel discovery is moot at this time.

Accordingly,

IT IS HEREBY ORDERED that the Order of this Court dated February 10, 1981, be amended by adding the following after the last paragraph of the Order:

4) The Court is of the opinion that this Order involves controlling questions of law as to which there is substantial ground for difference of opinion and that an immediate appeal from this Order pursuant to 28 U.S.C. § 1292(b) may materially advance the ultimate termination of this litigation.

5) Travelers' request for a stay of the proceedings pending its application for, or during the hearing of, an appeal pursuant to 28 U.S.C. § 1292(b) be and hereby is denied.

HARRY H. MacLAUGHLIN
Judge
United States District Court

Dated: April 13, 1981.

UNITED STATES COURT OF APPEALS
FOR THE EIGHTH CIRCUIT

No. 81-1506

TRAVELERS EXPRESS CO., INC.,
a Minnesota Corporation,

Appellant,

vs.

THE STATE OF MINNESOTA and
JIM LORD, Treasurer, State of Minnesota,

Appellee.

Appeal from the United States District
Court for the District of Minnesota.

Submitted: October 14, 1981
Filed: December 1, 1981

Before GIBSON, Senior Circuit Judge: BRIGHT and ROSS, Circuit Judges.

BRIGHT, Circuit Judge.

This case presents the narrow issue of whether the State of Minnesota has the right to custody of a fund held by Travelers Express Company (Travelers) representing unclaimed money orders issued outside Minnesota. The federal statute, 12 U.S.C. § 2503 (1976), authorizes each state to take custody of sums payable on unclaimed money orders to the extent of

the state's power under its own laws.[1] Travelers contends that the federal statute requires Minnesota to have *specific* legislation enabling it to take possession of unclaimed money orders issued in states other than Minnesota. Minnesota claims that the language of two sections of its version of the Uniform Disposition of Unclaimed Property Act (U.P.A.), Minn. Stat. Ann. §§ 345.31-.60 (West 1972 & Supp. 1981), satisfies the

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[1] Section 2503 provides:

> Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—
>
> (1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, that State shall be entitled exclusively to escheat or take custody of the sum payable on such instrument, *to the extent of that State's power under its own laws to escheat or take custody of such sum*;
>
> (2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, *to the extent of that State's power under its own laws to escheat or take custody of such sum*, until another State shall demonstrate by written evidence that it is the State of purchase; or
>
> (3) if the books and records of such banking or financial organizations or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, *to the extent of that State's power under its own laws to escheat or take custody of such sum*, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum. [12 U.S.C. § 2503 (1976) (emphasis added).]

federal requirement of state authority to claim the fund at issue in this action.

I. Background.

Travelers is incorporated under the laws of, and has its principal place of business in, the State of Minnesota. It sells money orders to customers in every state of the nation. While Travelers' records do not show the names or addresses of the money order purchasers, they do show the states in which the money orders were sold. At present, if nobody presents a money order for payment, travelers keeps the amount, receiving a windfall benefit.

Minnesota adopted a version of the U.P.A. in 1969. The U.P.A. authorizes the state treasurer to take custody of abandoned property, including money orders. This action does not eliminate the owner's property rights; rather, the state remains the custodian in perpetuity or until the owner presents a claim. Although the property covered by the U.P.A. is presumed abandoned if left unclaimed for a designated number of years, the owner may present a valid claim at any time, no matter how remote.

Minnesota examined Travelers' books to determine if it was properly reporting property subject to the U.P.A.[2] According to the report prepared by the Treasurer, Travelers held $6,477,170.46 in unclaimed money orders that were subject to Minnesota's U.P.A. *See Travelers Express Co. v. Minnesota*, 506 F. Supp. 1379, 1381 (D. Minn. 1981). Three categories comprise this sum: (1) $90,007.83 represents money orders sold in Minnesota; (2) $788,435.08 represents money orders

[2] Minnesota acted on behalf of itself and eleven other states. The U.P.A. gives Minnesota the right to examine the records of anyone if there is reason to believe that property considered abandoned under the statute has not been reported. *See* Minn. Stat. Ann. § 345.53 (West 1972).

sold in states without custodial taking or escheat laws; and (3) $5,598,727.55 represents money orders sold in states with custodial taking or escheat laws that, for some reason, are not subject to the applicable provisions.[3]

On June 20, 1980, Travelers filed a declaratory judgment action to determine whether Travelers, or the State of Minnesota, was entitled to custody of funds resulting from the unclaimed money orders Travelers then moved for partial summary judgment contending that Minnesota lacked the authority to take custody of these funds. The district court[4] rejected Travelers' contentions and held that Minnesota possessed the requisite authority to take custody of the funds. Travelers brings this interlocutory appeal. *See* 28 U.S.C. § 1292(b) (1976).

II. Discussion.

The Disposition of Abandoned Money Orders and Traveler's Checks Act, 12 U.S.C. §§ 2501-2503 (1976), establishes the rule for determining which state has a superior right to escheat or take custody of funds held on unclaimed money orders resulting from a multistate transaction.[5] Under section 2503, only two states have a legitimate claim to this property—the state in which the money order was purchased, and the state in which the issuer's principal place of business is located. In the event of a conflict, the statute gives the state of purchase the superior right subject to authorization to take the property in question under the state's own laws. As the district court noted:

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[3] The parties contest custody of only the latter two sums in this appeal. Travelers concedes that Minnesota may claim funds held by Travelers from outstanding money orders sold in Minnesota.

[4] The Honorable Harry H. MacLaughlin, United States District Judge for the District of Minnesota.

[5] For a discussion of the jurisdictional conflicts that led to the present legislation, see *Travelers Express v. Minnesota*, *supra*, 506 F. Supp. at 1383-84.

Thus, subsection 2503(1) states that whenever the issuer's records show the state of purchase, that state may take custody of the unclaimed sum if it has power under its own laws to do so. Under subsection 2503(2), if the issuer's records do not show the state of purchase, the state of the issuer's principal place of business may take custody if it has power under its own laws to do so. Under subsection 2503(3), if the issuer's records show the state of purchase but the state of purchase does not have power under its laws to take custody, then the state of the principal place of business of the issuer may take custody "to the extent of that State's power under its own laws to escheat or take custody of such sum." [*Travelers Express Co. v. Minnesota, supra*, 506 F. Supp. at 1382.]

Minnesota and Travelers disagree on the proper interpretation of the phrase "to the extent of that State's power under its own laws to escheat or take custody of such sum." The district court held that section 345.32(c) of Minnesota's U.P.A.[6]

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[6] Section 345.32(c) provides:

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

* * * *

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than seven years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within seven years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association. [Minn. Stat. Ann. § 345.32(c) (West Supp. 1981).]

gave the state sufficient power within the meaning of the federal statute to take custody of all unclaimed money orders held by Travelers. *See Travelers Express Co. v. Minnesota, supra*, 506 F. Supp. at 1385. In addition, Judge MacLaughlin found the requisite authority in the omnibus provision, Minn. Stat. Ann. § 345.39 (West. Supp. 1981).[7] *See Travelers Express Co. v. Minnesota, supra*, 506 F. Supp. at 1389.

Travelers does not dispute that Minnesota could take legislative action granting itself authority to take custody of the fund at issue. It argues instead, that neither section 345.32(c), nor section 345.39, as currently enacted, supplies the requisite authority. We disagree with the district court's conclusion that section 345.32(c) applies to these funds. We agree, however, that the omnibus provision, section 345.39, provides the requisite authority, and therefore affirm the district court.

After a lengthy discussion of the purpose of the federal statute, 12 U.S.C. § 2503 (1976), the district court concluded that section 345.32(c) gave Minnesota power to take custody of the fund. *See Travelers Express Co. v. Minnesota, supra*, 506 F. Supp. at 1381-85. By its terms, however, this section is limited to written instruments *issued in* Minnesota. It is im-

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[7] Section 345.39 provides:

> All tangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than seven years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. [Minn. Stat. Ann. § 345.39 (West Supp. 1981).]

possible, therefore, to construe section 345.32(c) as granting the state authority over the fund held on money orders *issued outside* Minnesota. We hold, therefore, that section 345.32(c) does not authorize Minnesota to take custody of the funds at issue in this appeal.

Travelers further contends that the U.P.A.'s legislative history suggests that its authors did not intend any provisions of the Act to reach money orders issued outside an enacting state. While the Uniform Law Commissioners did not adopt a proposal to eliminate the phrase "in this state" from the U.P.A. counterpart of section 345.32(c), *see* Proceedings in the Committee of the Whole, Uniform Act for Disposition of Unclaimed Property, National Conference on Uniform Laws, August 9-14, 1954, at p. 25C (Statement of Commissioner Stason), there is no evidence that the Conference intended to exclude completely from the U.P.A. coverage of money order transactions occurring outside the enacting state.

In recommending that the phrase "in this state" be retained in section 345.32(c), the Commissioners addressed an issue not in controversy. No dispute existed over whether in-state transactions could, or should, be covered. At most, this "legislative history" indicates that the Commissioners intended to limit the scope of section 345.32(c) to in-state transactions. The Commissioners did not purport to decide whether a state generally could reach funds accruing from transactions occurring outside the state, as that issue was not before them.

The Uniform Law Commissioners, therefore, did not specifically address the question raised here—whether Minnesota has authority to assume custody of funds from money orders issued in other states. Instead, the Commissioners recommended an omnibus provision, Minnesota's section 345.39, to cover

a wide variety of situations not specifically addressed by individual provisions of the U.P.A.

Section 345.39 does provide Minnesota with the necessary power to claim sums held on money orders sold by Travelers in other states. We note first that the section is cast in broad language, covering "all intangible property, not otherwise covered * * *." Minn. Stat. Ann. § 345.39 (West. Supp. 1981). Travelers argues that money orders are excluded from the coverage of this section because they are "otherwise covered" by section 345.32(c). We reject this argument as based on too narrow a reading of the statute. As noted above, while section 345.32(c) covers sums held on money orders issued in Minnesota, it does not purport to cover sums from money orders issued outside Minnesota. Moreover, Travelers' reading would make senseless the examples cited by the Uniform Law Commissioners. For instance, the official comment states that dividends, stocks, bonds, and securities are covered by omnibus provision, *see* 8 Uniform Laws Annotated 94 (Master Ed. 1972), even though another section also covers these same items. *See* Minn. Stat. Ann. § 345.35 (West Supp. 1981). Coverage of money orders elsewhere in the U.P.A., therefore, does not preclude their coverage by section 345.39.

The purpose of the U.P.A. fortifies our conclusion that Minnesota has a superior right to these funds. The Commissioners' Prefatory Note states a preference for an adopting state's use of the unclaimed fund over possession by the fortuitous holder. *See* 8 Uniform Laws Annotated 75 (Master Ed. 1972); *see also Travelers Express Co. v. Minnesota, supra,* 506 F. Supp. at 1386 (noting U.P.A. objectives).

Travelers contends that interpreting section 345.39 to cover money orders issued outside Minnesota will result in different

treatment of the instruments depending on the state of issue. Particularly, Travelers notes discrepancies between section 345.32(c) and section 345.39 concerning the time limitation for withholding service charges, the presumed period of abandonment,[8] and the requirement for corresponding with the money order holder. We agree with the district court that these inconsistencies are minor, and to be expected, when comparing an omnibus provision, drafted in broad language, with a specific provision that is narrowly drafted. Judge MacLaughlin adequately addressed Travelers' contentions, *see id.* at 1387-88, and we need not recount them further in this opinion.

Accordingly, we affirm. In doing so, we note that the merits of the claims and Travelers' defenses remain to be tried by the district court.

A true copy.

Attest:

CLERK, U.S. COURT OF APPEALS, EIGHTH CIRCUIT.

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[8] When the U.P.A. was adopted in 1969, § 345.32(c) included a 20 year period before money orders were presumed abandoned, while § 345.39 contained a seven year period for presumed abandonment. In 1977, § 345.32(c) was amended to reduce the period from 20 to seven years. *See* 1977 Minn. Laws ch. 137, § 3. Now, therefore, the presumed periods of abandonment are identical.

UNITED STATES COURT OF APPEALS
For The Eighth Circuit

September Term, 1981
No. 81-1506

TRAVELERS EXPRESS CO., INC.,
a Minnesota corporation,

Appellant,

vs.

THE STATE OF MINNESOTA AND JIM LORD,
Treasurer, State of Minnesota,

Appellee.

JUDGMENT

Appeal from the United States District Court for the District of Minnesota.

This cause was heard on a designated record from the United States District Court for the District of Minnesota and on briefs of the respective parties and was argued by counsel.

After consideration, it is now ordered and adjudged that the judgment of the said District Court in this cause be, and the same is hereby, affirmed in accordance with the opinion of this Court.

December 1, 1981

A True Copy:
Attest:
Clerk, U.S. Court of Appeals, Eighth Circuit 12/30/81.

THE GREYHOUND CORPORATION
(Arizona)
Active Subsidiaries and Affiliates*
as of July 1, 1981

TRANSPORTATION AND BUS MANUFACTURING† GROUPS

†Indicates a Bus Manufacturing Group Subsidiary

AMERICAN SIGHTSEEING TOURS, INC. (Florida)
Carey Transportation, Inc. (New York)
Gray Line New York Tours Corp. (New York)
GREYHOUND LINES, INC. (California)
Atlantic Greyhound Lines of Virginia, Inc. (Virginia)
California Parlor Car Tours Company (California)
Greyhound Bus Depot of Atlanta, Inc. (Georgia) (87%)
Greyhound de Mexico, S.A. de C.V. (Mexico)
GREYHOUND LINES OF CANADA LTD. (Canada) (62%)
Brewster Transport Company Limited (Alberta)
Columbia Icefield Snowmobile Tours Ltd. (Alberta)
Coachways System Ltd. (Alberta)
Alaskan Coachways Limited (Alaska)
Canadian Coachways (Alberta) Limited (Alberta)
Eastern Canadian Greyhound Lines, Limited (Ontario)
†MOTOR COACH INDUSTRIES LIMITED (Manitoba)
†Frank Fair Industries Ltd. (Manitoba)
Greyhound-Taseco Saudi Arabia Ltd. (Saudi Arabia) (40%)
Greyhound World Tours, Inc. (Arizona)
Greyhound World Travel B.V. (Netherlands)
Greyhound World Travel A.G. (Switzerland)
Greyhound World Travel GmbH (Austria)
Greyhound World Travel GmbH (Germany)
Greyhound World Travel Limited (United Kingdom)
Greyhound World Travel S.A.R.L. (France)
Jefferson Lines, Inc. (Minnesota) (40%)
Jefferson Services, Inc. (Minnesota)
Midland Lines, Inc. (Minnesota)
Kerrville Bus Company, Inc. (Texas) (40%)
Kerrville Tours, Inc. (Texas)
Painter Bus Lines, Inc. (Texas)
Union Bus Center of San Angelo, Inc. (Texas)
K.G. Lines, Inc. (Delaware) (50%)
New Mexico Transportation Company, Inc. (New Mexico)
Southeastern Stages, Inc. (Georgia) (40%)
Springfield Bus Terminal Corporation (Massachusetts) (32%)
Union Bus Station of Oklahoma City, Oklahoma (Oklahoma) (20%)
WGL Properties, Inc. (Delaware)
Wilmington Union Bus Station Corporation (North Carolina) (25%)
†Greyhound Overseas Service, Inc. (Arizona)
†MOTOR COACH INDUSTRIES, INC. (Delaware)
Recreation Lines, Inc. (New York)
Red Top Sedan Service, Inc. (Florida)
†Romex, Inc. (Delaware)
Royal Hawaiian Tours, Limited (Hawaii)
Texas, New Mexico & Oklahoma Coaches, Inc. (Texas) (59%)
†TRANSPORTATION MANUFACTURING CORPORATION (Delaware)
†UNIVERSAL COACH PARTS, INC. (Delaware)
Vermont Transit Co., Inc. (Vermont)
Walters Transit Corp. (New York)

FOOD SERVICE GROUP

FABER ENTERPRISES, INC. (Delaware)
Faber Tower Restaurants, Inc. (Illinois)
O'Hare Drug Co., Inc. (Illinois)
GREYHOUND FOOD MANAGEMENT, INC. (Michigan)
Glacier Park, Inc. (Arizona) (80%)
Waterton Transport Company Limited (Alberta)
Restaura, GmbH (Germany) (75%)
Restaura, S.A. (Belgium)
GREYHOUND SUPPORT SERVICES, INC. (Delaware)
GREYHOUND SERVICES SAUDI ARABIA LTD. (Saudi Arabia) (40%)
POST HOUSES, INC. (Delaware)

FOOD GROUP

ARMOUR AND COMPANY (Delaware)
Armour Food Express Company (Delaware)
Armour International Sales Corporation (Delaware)
Greyhound International Sales Corporation (Delaware)
Tri-State Investment Company (Delaware) (27%)

CONSUMER PRODUCTS GROUP

ARMOUR-DIAL, INC. (Delaware)
AIC International Sales Corp. (Delaware)
ARMOUR HANDCRAFTS, INC. (Arizona)
Malina International Sales Corporation (Delaware)
Ft. Madison Dial, Inc. (Iowa)
ARMOUR INTERNATIONAL COMPANY (Arizona)
AIC International Sales Corporation (Arizona)
Armour-Dial del Ecuador, S.A. (Ecuador)
Armour Foods (Benelux) N.V. (Belgium)
Armour Foods (Canada) Limited (Ontario)
Canada Star Trading Limited (Ontario)
Armour Foods (Deutschland) GmbH (Germany)
Carsten Moller Foods A.P.S. (Denmark) (50%)
Armour Foods (Italia) S.p.A. (Italy)
Armour Foods (U.K.) Ltd. (United Kingdom)
Armour Panama, S.A. (Panama)
Armour S.A.E. (Spain) (35%)

FINANCIAL GROUP

GREYHOUND COMPUTER CORPORATION (Delaware)
D.S., Inc. (New Jersey)
EDP Marketing Corporation (New York)
Greyhound Computer de Mexico, S.A. de C.V. (Mexico)
Greyhound Computer of Canada Ltd. (Canada) (80%)
Canadian Computer Resources Limited (Canada)
Greyhound Computer Overseas Corporation (Delaware)
Greyhound Computer France S.A. (France)
Greyhound Computer S.A. (Switzerland)
Greyhound Computer Deutschland GmbH (Germany)
Greyhound Computer (U.K.) Limited (United Kingdom)
Greyhound Holdings Limited (United Kingdom)
PINE TOP INSURANCE COMPANY LIMITED (United Kingdom)
GREYHOUND LEASING & FINANCIAL CORPORATION (Delaware)
Boothe Leasing Corporation of Puerto Rico (Puerto Rico)
Bravo Aircraft Leasing, Inc. (Delaware)
Century Greyhound Leasing & Financial Corporation (Japan) 35%
Century Greyhound International Finance Limited (Hong Kong)
Century Greyhound Leasing Ltd. (Bermuda)
Century Greyhound Leasing (Panama) S.A. (Panama)
(33 Panama Subsidiaries not listed individually)
Jacoby Shipping Corporation (Liberia)
Langdon Maritime Shipping, Inc. (Liberia)
Charlie Aircraft Leasing, Inc. (Delaware)
Echo Aircraft Leasing, Inc. (Delaware)
Financiera Greyhound, S.A. (Panama)
First Greyhound Leasing Company (Delaware)
Foxtrot Aircraft Leasing, Inc. (Delaware)
Gulf Aircraft Leasing, Inc. (Delaware)
Greycas, Inc. (Arizona)
Greyhound Equipment Leasing Corporation (Delaware)
Greyhound Holding, A.G. (Switzerland)
Greyhound Financial & Leasing Corporation AG (Switzerland) 65%
Greyco Corporation (Liberia) (51%)
Greyfin (Nassau) Limited (Bahama)
Greyfin Nederland Corporation B.V. (Netherlands)
Greyhound Equipment Finance, Ltd. (United Kingdom)
Elkra Investments Limited (United Kingdom)
Exosphere Limited (United Kingdom)
FEG Finance Ltd. (United Kingdom)
Greyhound Guaranty Limited (United Kingdom)
Greyhound Guarantee Nominees Ltd. (United Kingdom)
Secured Advances Ltd. (United Kingdom)
Greyhound International Financial Services Limited (United Kingdom) (51%)
Greyhound Shipping Corporation (Liberia)
Finsbury Shipping Corp. (Liberia) (50%)
G.A.G. Corporation (Liberia)
Gator Shipping Corp. (Liberia) (50%)
GG Mortgagee Corp. (Liberia) (50%)
Greyfin Corporation (Liberia)
Greyhound Inter-American Aircraft Leasing, Ltd. (Arizona)
Greyhound Leasing & Financial of Canada, Ltd. (Canada)
Greyhound Financial, Inc. (Canada)
Vessel Finance, Inc. (Canada)
Greyhound Overseas Corporation, N.V. (Netherlands Antilles)
Greyhound Real Estate Finance Corporation (Arizona)
Greyship Corp. (Delaware)
Hotel Aircraft Leasing, Inc. (Delaware)
Medharge, Inc. (Delaware)
Nacional Arrendadora, S.A. de C.V. (Mexico)
Second Greyhound Leasing Company (Delaware)
MCI Acceptance Corp. (Delaware)
Morgu Investment Co. (Arizona)
VEREX CORPORATION (Arizona)
CMI Financial Corporation (Wisconsin)
Liberty Mortgage Insurance Corporation (Wisconsin)
Management Data Systems, Inc. (Wisconsin)
Verex Assurance, Inc. (Wisconsin)
Verex Indemnity Corporation (Wisconsin)
Commercial Mortgage Insurance, Inc. (Wisconsin)
Verex Mortgage Corporation (Wisconsin)
Verex Securities, Inc. (Wisconsin)
Verex Services, Inc. (Wisconsin)
Pine Top (Bermuda) Ltd. (Bermuda)
PINE TOP INSURANCE COMPANY (Illinois)
Pine Top Services Company (Arizona)
Pine Top Life Company (Arizona)
Shorrock Inc. (Maryland)
SHORROCK SECURITY SYSTEMS LIMITED (United Kingdom)
Shorrock Developments Ltd. (United Kingdom)
TRAVELERS EXPRESS COMPANY, INC. (Minnesota)
Travelers Express Co. (P.R.) Inc. (Puerto Rico)

SERVICES GROUP

Air Agency, Inc. (Florida)
Aircraft Service, Inc. (Florida)
AIRCRAFT SERVICE INTERNATIONAL, INC. (Delaware)
International Air Service of Puerto Rico, Inc. (Puerto Rico) (97%)
Bahamas Airport Services Limited (Bahama)
Freeport Flight Services Limited (Bahama) (80%)
Nassau Air Dispatch Service, Limited (Bahama) (80%)
DISPATCH SERVICES, INC. (Florida)
Florida Aviation Fueling Company, Inc. (Florida)
FLORIDA EXPORT TOBACCO CO. INC. (Florida)
Florida Export Warehouse Corp. (Florida)
Greyhound C&D, Inc. (Delaware)
CONSULTANTS & DESIGNERS INC. (Delaware)
Award Advertising Agency, Inc. (New York)
Canadian Consultants & Designers, Limited (Canada)
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Consultants & Designers (U.K.) Limited (United Kingdom)
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GREYHOUND EXPOSITION SERVICES, INC. (Florida)
GREYHOUND RENT-A-CAR, INC. (Florida)
International Cruise Shops, Inc. (Florida)
Las Vegas Convention Service Co. (Nevada)
Research Information Center, Inc. (Delaware)

*Parent-subsidiary or affiliate relationships are shown by marginal indentation. State, province or country of incorporation and ownership percentage are shown in parentheses following name, except that no ownership percentage appears for 100%-owned subsidiaries. If ownership is divided between two affiliates, the ownership percentage of both is combined and is not in parentheses, and in such cases the company is listed as a subsidiary of affiliate of the company holding the highest percentage of stock. List does not include companies in which the aggregate direct and indirect interest of The Greyhound Corporation is less than 20%.